

Minutes of the
Board of Minerals and Environment Meeting
Golden Hills Inn
900 Miners Avenue
Lead, South Dakota

September 17 and 18, 2003

SEPTEMBER 17, 2003 - 1:00 P.M. MDT

CALL TO ORDER AND ROLL CALL: Chairman Richard C. Sweetman called the meeting to order. Secretary Kathy Johnson noted that a quorum was present.

BOARD MEMBERS PRESENT: Richard Sweetman, Kathy Johnson, Pat Healy, Chuck Monson, and Mike DeMersseman.

BOARD MEMBERS ABSENT: Wilbert Blumhardt, Lee McCahren, Linda Hilde, and Brian Radke.

APPROVAL OF MINUTES FROM AUGUST 21, 2003, MEETING: Chairman Sweetman noted that the following change was made on page 3, Condition No. 5, second sentence: "Pressure failure" shall be deemed to exist when the tubing/casing annulus pressures increases or decreases by fifty percent of its initial pressure of or 500 p.s.i. whichever is less.

Motion by DeMersseman, seconded by Monson, to approve the minutes from the August 21, 2003, Board of Minerals and Environment meeting, as amended. Motion carried.

SURFACE MINING ISSUES: Eric Holm was administered the oath by Mike DeMersseman and testified regarding releases of liability, transfers of liability, and releases of liability and surety (see attached matrix sheet).

Releases of Liability: Motion by DeMersseman, seconded by Johnson, to release liability for Bennett County Highway Department, Martin, SD, Mine License No. 93-485, two sites in Bennett County; release liability for Corson County Highway Department, McIntosh, SD, Mine License No. 83-239, one site in Corson County; release liability for Hyde County Highway Department, Highmore, SD, Mine License No. 83-88, one site in Hyde County; release liability for Spink County Highway Department, Redfield, SD, Mine License No. 83-115, one site in Spink County; release liability for DOT - Aberdeen Region, Aberdeen, SD, Mine License No. 83-10, one site in Hyde County; and release liability for DOT - Pierre Region, Pierre, SD, Mine License No. 83-10, one site in Ziebach County. Motion carried.

Transfer of Liability: Motion by Healy, seconded by Johnson, to transfer liability from Quinn Construction, Inc., Rapid City, SD, Mine License No. 95-535, one site in Pennington County to Pete Lien & Sons, Inc., Rapid City, SD, Mine License No. 00-712. Motion carried.

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Releases of Liability and Surety: Motion by DeMersseman, seconded by Monson, to release liability and \$500 for M & A Mining, Inc., Rapid City, SD, Mine License No. 90-405, one site in Custer County; release liability and \$500 for Wes Villbrandt, Wessington Springs, SD, Mine License No. 85-309, one site in Jerauld County; and release liability and \$8,700 for Kenneth R. Hamm, Rapid City, SD, Mine Permit No. 442, one site in Pennington County. Motion carried.

OTHER BUSINESS: The next board meeting is October 16, 2003, at the Matthew Training Center in Pierre.

Mike Cepak announced that during the October 16 meeting, the board will hold a hearing to consider increasing Wharf Resources' reclamation and post closure bond. He requested that the board appoint a hearing chairman for this matter. Mr. Sweetman appointed Lee McCahren as the hearing chairman.

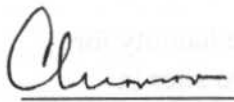
SEPTEMBER 18, 2003 - 9:00 A.M. MDT

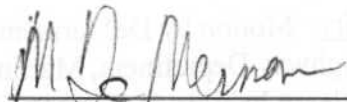
TOURS: The board was scheduled to travel to Terry Peak to overlook Golden Reward and Wharf Resources mine sites. This trip was cancelled due to the weather.

On Thursday, September 18, the board toured the Golden Reward mine site and the Homestake mill reclamation area. Homestake intends to reclaim this area and make it a new city park. The board also inspected the revegetation at the Ruby waste dump and the new water treatment plant at the Gilt Edge Superfund site.

On Friday, September 19, the board was scheduled to travel to Buffalo, SD, for a field trip to a working horizontal drilling project being done by Luff Exploration Company and to meet at Continental Resources for a site visit. This trip was cancelled.

ADJOURN: The meeting adjourned at 4:00 p.m. MDT on Thursday, September 18, 2003.


Secretary 10-16-03
Date


Witness 10/10
Date

South Dakota Board of Minerals & Environment

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License/Permit Holder	License/ Permit	Site No.	Surety Amt.	Surety No.	Surety Company/Bank	DENR Recommendation
Releases of Liability:						
Bennett County Highway Department Martin, SD	93-485		EXEMPT	NA	NA	Release liability.
		485001	SE1/4 Section 33; T37N-R39W, Bennett			
		485006	Section 28; T39N-R37W, Bennett			
Corson County Highway Department McIntosh, SD	83-239		EXEMPT	NA	NA	Release liability.
		239011	NW1/4 Section 33; T19N-R18E, Corson			
Hyde County Highway Department Highmore, SD	83-88		EXEMPT	NA	NA	Release liability.
		88003	NW1/4 Section 18; T109N-R71W, Hyde			
Spink County Highway Department Redfield, SD	83-115		EXEMPT	NA	NA	Release liability.
		115013	NW1/4 Section 19; T117N-R65W, Spink			

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License/Permit Holder	License/ Permit	Site No.	Surety Amt.	Surety No.	Surety Company/Bank	DENR Recommendation
Releases of Liability:						
DOT -Aberdeen Region Aberdeen, SD	83-10		EXEMPT	NA	NA	Release liability.
		10011	S1/2 NW1/4 Section 16; T11ON-R71W, Hyde			
DOT - Pierre Region Pierre, SD	83-10		EXEMPT	NA	NA	Release liability.
		10270	Lots 3 & 4, S1/2 NW1/4 Section 3; T14N-R21E, Ziebach			
Transfer of Liability:						
Quinn Construction Inc. Rapid City, SD	95-535		\$20,000	55-173881	United Fire & Casualty Company	Transfer liability.
		535005	E1/2 Section 9 & W1/2 Section 10; T1S-R7E, Pennington			
Transfer to:						
Pete Lien & Sons, Inc. Rapid City, SD	00-712		\$5,000	Irrevocable Letter of Credit No. 5554556	LaSalle Bank NA, Chicago	

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License/Permit Holder	License/ Permit	Site No.	Surety Amt.	Surety No.	Surety Company/Bank	DENR Recommendation
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Releases of Liability & Surety:

M & A Mining Inc. Rapid City, SD	90-405	405001	\$200 \$300 SW1/4 Section 34; T3S-R5E, Custer	57743 63206	First National Bank, Pierre First National Bank, Pierre	Release liability and \$500.
Wes Villbrandt Wessington Springs, SD	85-309	309001	\$500 NW1/4 SW1/4 Section 8; T107N-R67W, Jerauld	BB 2394	American State Bank, Wessington Springs	Release liability and \$500.
Kenneth R. Hamm Rapid City, SD	442		\$8,700 Portions of Sections 18 & 19; T1S-R7E, Pennington		CD held by USFS	Release liability and \$8,700.